

UMass Building Authority Signs Long-term Lease for Bayside Property

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Lease formalizes agreement with Accordia Partners and Ares Management Corporation to develop 20-acre Columbia Point site for the benefit of UMass Boston

BOSTON--(BUSINESS WIRE)--

The UMass Building Authority (UMBA) today announced that it has entered into definitive documents with Accordia Partners and an affiliate of the Real Estate Group of Ares Management Corporation (NYSE: ARES) on lease terms for the 20-acre site that had previously housed the Bayside Expo Center.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20190702005116/en/>

Final lease terms for the site formalize an agreement in principle announced by the parties in February 2019 when UMBA voted to designate Accordia Partners and Ares to build a mixed-use urban innovation campus at the site.

The proposed mixed-use project will consist of up to 3.4 million square feet on the parcel. Under the terms of the agreement with UMBA, Accordia Partners and Ares will enter into a 99-year ground lease with expected consideration of \$235 million.

“We appreciate the commitment that Accordia and Ares have demonstrated by agreeing to lease terms that maximize the present value return to UMass and for being willing to invest in complementary off-site infrastructure,” said Victor Woolridge, Chair of UMBA, which oversees the planning, financing, construction and renovation of university facilities.

“Among the many benefits to UMass Boston of the lease and development of the Bayside property is a significant infusion of revenue to fund the long-term goals of the campus,” said UMass President Marty Meehan, who in 2017, with the support of the UMass Board of Trustees, requested that UMBA monetize the Bayside Property for the benefit of UMass Boston. “We are pleased to see the project moving forward to the next stage.”

“The Bayside development is a game-changer for our students and faculty,” said UMass Boston Interim Chancellor Katherine Newman. “This agreement moves us one giant step closer to bringing new private sector research partners, internship providers, and job opportunities in construction, retail and services to Columbia Point. We eagerly await the next milestones and look forward to collaborating closely with Accordia Partners on campus, community and business engagement.”

UMass has envisioned a development that will create a new gateway to UMass Boston and increase connectivity between the campus, the surrounding communities, the MBTA’s JFK/UMass station and the Boston HarborWalk. Now that the agreement has been finalized, Accordia Partners will engage in a robust stakeholder and community input process to refine the vision for the development.

“We are excited to have reached this important milestone, which will allow us to begin the next phase and launch a process for listening to the many voices interested in this project, including neighbors, the community, and students, faculty and staff at UMass Boston,” said Kirk Sykes and Dick Galvin, on behalf of Accordia Partners. “A robust community engagement process is critical first step in creating a dynamic new gateway to the entire peninsula and increase connectivity between the UMass Boston campus, the surrounding communities, the MBTA’s JFK/UMass station and the Boston HarborWalk. We look forward to engaging with the community and determining how the project can create shared benefits.”

“This agreement with UMass Boston marks the beginning of the next phase for what we expect will be a transformational project for the university and the surrounding community. This project continues Ares’ long track record of investing in significant urban development projects that are responsive to the needs of local communities,” said Andrew Holm, Partner in the Ares Real Estate Group.

Closing of the transaction and exchange of funds is expected to happen after Accordia and Ares receive all necessary regulatory approvals, which is expected to take approximately 24 months. Because the university’s acquisition of the property in 2010 utilized tax-exempt bonds, use of revenue generated by the university through the long-term ground lease is restricted to qualified capital projects approved by the UMass Board of Trustees through its established capital planning process.

About UMass and UMass Building Authority

The University of Massachusetts is a five-campus public research university system renowned for the quality of its academic programs, the scope and excellence of its research, and its enduring adherence to its public service mission. UMass provides access to high-quality, affordable education that advances knowledge and improves the lives of the people of the Commonwealth, the nation and the world.

The University of Massachusetts Building Authority is an independent body politic and corporate, and a public instrumentality of The Commonwealth of Massachusetts created by and existing under Chapter 773 of the Acts of 1960, as amended (the “Enabling Act”). The Authority was created for the general purpose of aiding and contributing to the performance of the educational and other purposes of the University, and serves the five campuses at Amherst, Boston, Dartmouth, Lowell, and the Medical School in Worcester.

UMass Boston is a public research educational institution with a dynamic culture of teaching, learning, and a special commitment to urban and global engagement. The vibrant, multi-cultural educational environment encourages its broadly diverse campus community to thrive and succeed. The distinguished scholarship, dedicated teaching, and engaged public service are mutually reinforcing, creating new knowledge while serving the public good of the City of Boston, the Commonwealth, the nation, and the world.

About Accordia Partners

Accordia Partners, LLC (MBE) was formed in September 2014 with the intent of pursuing large, complex, urban real estate development projects within Boston. Led by partners Kirk Sykes and Richard Galvin, Accordia Partners has a combined 60 years of development experience in the Boston market. A core component of Accordia's mission is to leverage the scale of these urban projects in order to increase the level of inclusion and diversity within the real estate, design, and

construction industries. Accordia's projects create opportunities in equity, employment, and education for all of Boston's citizens.

About Ares Management Corporation

Ares Management Corporation is a publicly traded, leading global alternative asset manager with approximately \$137 billion of assets under management as of March 31, 2019 and 18 offices in the United States, Europe, Asia and Australia. Since its inception in 1997, Ares has adhered to a disciplined investment philosophy that focuses on delivering strong risk-adjusted investment returns throughout market cycles. Ares believes each of its three distinct but complementary investment groups in Credit, Private Equity and Real Estate is a market leader based on assets under management and investment performance. Ares was built upon the fundamental principle that each group benefits from being part of the greater whole. For more information, visit www.aresmgmt.com.

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